

CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY

FISCAL YEAR 2007- 08 BUDGET BRIEFING

Secretary for Environmental Protection

Air Resources Board

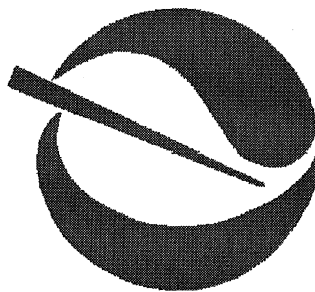
Department of Pesticide Regulation

Department of Toxic Substances Control

Integrated Waste Management Board

Office of Environmental Health Hazard Assessment

State Water Resources Control Board



January 11, 2007

AGENDA

(Please note: order subject to change)

Thursday, January 11, 2007, 3:00 p.m. to 4:00 p.m.
Room 437, State Capitol
Sacramento, California

Cal/EPA	Linda S. Adams Secretary for Environmental Protection
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State Water Resources Control Board	Tam M. Doduc, P.E. Board Chair
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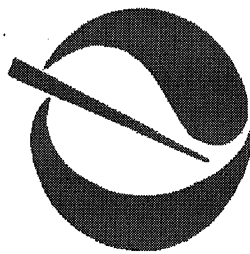
Integrated Waste Management Board	Margo Reid Brown Board Chair Mark Leary Executive Director
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Air Resources Board	Catherine Witherspoon Executive Officer
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Department of Pesticide Regulation	Mary-Ann Warmerdam Director
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Department of Toxic Substances Control	Maureen Gorsen Director
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Office of Environmental Health Hazard Assessment	Joan Denton, Ph.D. Director
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CAL/EPA

Program Highlights

CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY

*Improving Cross Media Coordination, Reducing Risk, and Measuring Results
For California's People and Environment*

Our Organization

Approximately 4,550 scientists, engineers, physicians, lawyers, managers, and Cal/EPA staff work throughout California as employees of the Air Resources Board, the Department of Pesticide Regulation, the Department of Toxic Substances Control, the Integrated Waste Management Board, the Office of Environmental Health Hazard Assessment, and the State Water Resources Control Board and the nine Regional Water Quality Control Boards.

Our Mission

To restore, protect, and enhance the environment, to ensure public health, environmental quality and economic vitality.

Our Vision

A California that enjoys a clean, healthy, sustainable environment that enhances the quality of life for current and future generations, and protects our diverse natural resources.

Cal/EPA's Strategic Goals

- ◆ **Goal 1:** Air that is healthy to breathe, sustains and improves our ecosystems, and preserves natural and cultural resources.
- ◆ **Goal 2:** Rivers, lakes, estuaries and marine waters that are fishable, swimmable, support healthy ecosystems and other beneficial uses.
- ◆ **Goal 3:** Groundwater that is safe for drinking and other beneficial uses.
- ◆ **Goal 4:** Communities that are free from unacceptable human health and ecological risks due to exposure from hazardous substances and other potential harmful agents.
- ◆ **Goal 5:** Reduce or eliminate the disproportionate impacts of pollution on low-income and minority populations.
- ◆ **Goal 6:** Ensure the efficient use of natural resources.
- ◆ **Goal 7:** Continuous improvement and application of science and technology.
- ◆ **Goal 8:** An efficient and effective Cal/EPA in pursuit of its mission.

Our Organization

The California Environmental Protection Agency (Cal/EPA) administers the state's environmental protection programs, which focus on restoring, preserving, and enhancing California's environmental quality and protecting public health.

The Secretary for Environmental Protection oversees the six boards, departments, and offices within Cal/EPA:

- **Air Resources Board** — The Air Board sets statewide standards to attain healthy air quality and regulates emissions from motor vehicles, fuels, and consumer products. The board, along with the 35 local air quality districts which regulate other sources of air pollution, monitors air pollution and administers regulatory and incentive programs to attain healthy air.
- **Integrated Waste Management Board** — The Waste Board's mission is to reduce solid waste, encourage recycling and reuse of materials, and regulate the processing and disposal of solid waste. The board oversees the local enforcement agencies which ensure the proper operation and closure of solid waste landfills.
- **Department of Pesticide Regulation** — The Department of Pesticide Regulation evaluates the potential health risks and effectiveness of pesticide products, licenses pesticide applicators, and oversees pesticide enforcement administered by the local agricultural commissioners.
- **State Water Resources Control Board** — The Water Board, which includes nine regional water quality control boards, protects water quality by regulating pollutants discharged into the state's ground water, rivers, lakes, and the Pacific Ocean. The board also issues water rights permits and licenses so California's water resources are put to beneficial use.
- **Department of Toxic Substances Control** — The Department of Toxic Substances Control protects people and our environment by reducing exposure to hazardous substances. The Department regulates handling and disposal of hazardous wastes, oversees cleanup of contaminated sites, and promotes pollution prevention.
- **Office of Environmental Health Hazard Assessment** — The Office of Environmental Health Hazard Assessment conducts science-based risk assessments of chemicals; these evaluations are the scientific foundation of the state's environmental regulatory programs.

Major Accomplishments in 2006-07

Climate Change

California is recognized as a world leader in reducing greenhouse gas emissions. The state is implementing innovative programs, including motor vehicle emission standards, energy efficiency standards, the Renewable Portfolio Standard that requires 20 percent of California's electricity to be supplied by renewable power by 2010, the California

Solar Initiative, and investments in alternative fuels such as the Hydrogen Highway, which help reduce greenhouse gas emissions that affect the climate.

In 2005, Governor Schwarzenegger signed Executive Order S-3-05 that committed the state to pursue dramatic reductions in greenhouse gas emissions. The Order directed the Secretary for Environmental Protection to lead a multi-agency Climate Action Team to identify strategies to meet the emission reduction targets. The Climate Action Team issued a report to the Governor and the Legislature in April 2006.

The 2006 Budget Act provides \$30.4 million (\$1.1 million General Fund and \$29.3 million special funds) and 30.5 positions for a coordinated, multi-agency effort to reduce greenhouse gas emissions. Of this amount, \$25 million was funded on a one-time basis and \$5.4 million is ongoing. Specific activities include implementing early action measures, promoting alternative fuels and zero-emission vehicles, expanding energy efficiency programs, and accelerating the Renewable Portfolio Standard.

On September 27, 2006, the Governor signed the landmark *California Global Warming Solutions Act of 2006* (AB 32, Nunez and Pavley). The Act requires greenhouse gas emissions to be reduced to 1990 levels by 2020 and mandatory reporting of greenhouse gas emissions. The Act continues the operation of the Climate Action Team, directs the Air Resources Board to implement actions to curb emissions, and authorizes the development of a market-based compliance program.

Air Quality

- **Carl Moyer Program** - This program provides incentive grants to reduce emissions from heavy-duty, diesel-powered vehicles and equipment. The 2006 Budget Act provides \$90 million (special fund) for the Carl Moyer Program. This funding will reduce smog-forming emissions by approximately 4,500 tons, which is the equivalent of taking over 418,000 cars off the road. Although the Carl Moyer Program achieves emission reductions in a cost-effective manner, diesel school buses have a competitive disadvantage in receiving these grants because they are generally driven twice a day, and thus do not meet the minimum cost-effectiveness criteria. The 2007 Governor's Budget addresses this problem; \$96.5 million is proposed for the Lower Emission School Bus Program in the budget year.
- **Clean Transportation** - The state's transportation sector is almost entirely dependent on energy from fossil fuels. Consequently, the state's economic vitality depends on energy supplies from a politically unstable region of the world, and burning fossil fuels generates air pollution and greenhouse gas emissions that contribute to climate change. Alternative fuels, such as biodiesel, ethanol, and hydrogen, have the potential to create a new energy future for California based on reliable and cleaner energy sources.

The 2006 Budget Act provides one-time funding of \$31.5 million for incentives for alternative fuels and vehicles. The Air Resources Board and the California Energy Conservation and Development Commission are developing a joint plan for these clean transportation incentives. The 2006 Budget Act also provides \$6.5 million to provide matching funds for three publicly accessible hydrogen fueling stations, and

will enable the state to leverage federal matching funds for five fuel cell buses to be used for public transit fleets.

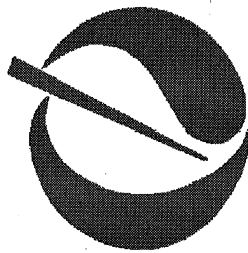
Water Quality

Water monitoring provides the information necessary for the State Water Resources Control Board to develop water quality standards and effectively administer various water quality programs. According to a recent U.S. EPA report, the state has the ability to report on the water quality of 22 percent of California's coastal shoreline, 34 percent of its lakes and reservoirs, and 15 percent of its rivers and streams. The 2006 Budget Act provides \$8.5 million (\$4.5 million federal funds and \$4 million Waste Discharge Permit Fund) to enhance existing water monitoring efforts. These funds will be used to expand the Water Board's own monitoring activities as well as to integrate existing monitoring data collected by various state and local agencies into the Water Board's Surface Water Ambient Monitoring Program.

Waste Reduction

In 1989, Californians diverted 10 percent of the solid waste generated each year. The *Integrated Waste Management Act of 1989* directed the state to reduce its waste and divert 25 percent of recyclable materials by 1995 and 50 percent by the year 2000.

The Integrated Waste Management Board announced this year that California achieved 52 percent diversion of our waste in 2006. In partnership with local government, industry, and the public, the Board administers programs to manage the estimated 88 million tons of solid waste now generated annually and to divert, recover, and reuse materials.



CAL/EPA

FY 2007-08 Budget Highlights

CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY

Agency-wide Summary Fiscal Year 2007-08 Budget Highlights (All Organizations; Dollars in Thousands)

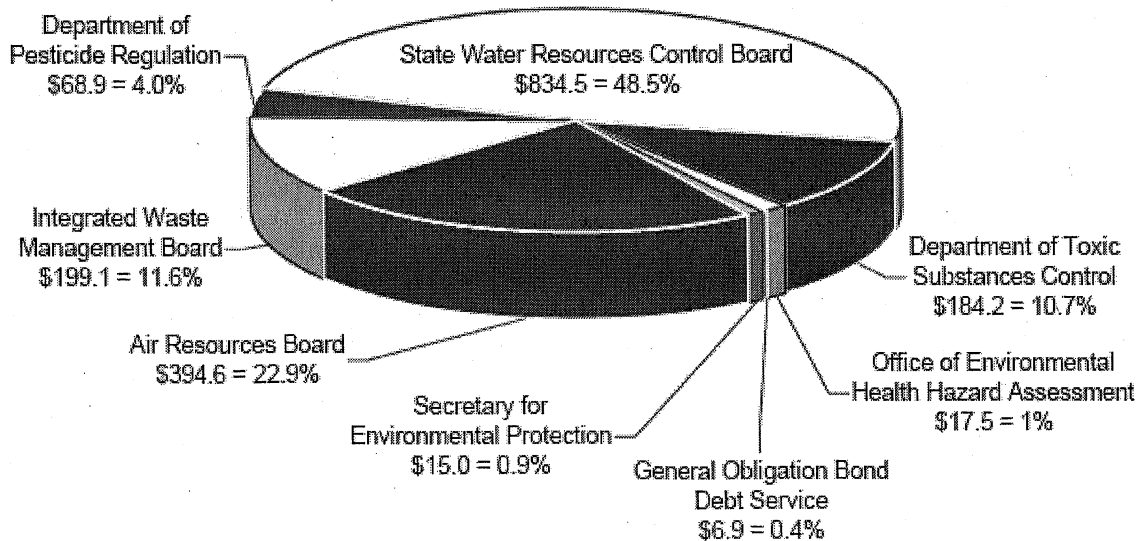
FUND SOURCE	Current Year 2006-07	Budget Year 2007-08	Change	
			Amount	Percentage
General Fund*	\$80,614	\$78,880	- \$1,734	- 2.2%
Special Funds	\$1,093,933	\$1,082,599	- \$11,334	- 1.0 %
Bond Funds	\$365,109	\$348,784	- \$16,325	- 4.5%
Federal Funds	\$172,013	\$173,085	+ \$1,072	+ 0.6%
Other Funds	\$29,960	\$30,513	+ \$553	+ 1.8%
<i>Total: All Funds</i>	<i>\$1,741,629</i>	<i>\$1,713,861</i>	<i>- \$27,768</i>	<i>- 1.6%</i>
Personnel Years	4,552.2	4,781.2	+ 229.0	+ 5.0%

* excluding debt service (which totals \$10.9 million and \$6.9 million, respectively)

The Governor's Budget proposes \$1.7 billion (\$85.8 million General Fund and \$1.6 billion other funds) and 4,781.2 personnel years for the California Environmental Protection Agency (Cal/EPA) boards, departments, and offices. This represents an increase of 229 personnel years from the revised current year budget. The year-over-year decrease in total funds reflects less bond money available for expenditure in the budget year. The proposed resources support on-going regulatory programs that restore and protect environmental quality and protect public health.

These resources are allocated as shown below.

Figure ENV-01
Proposed Environmental Protection Expenditures for 2007-08
All Funds
(Dollars in Millions)



SECRETARY FOR ENVIRONMENTAL PROTECTION
(0555—Office of the Secretary for Environmental Protection)

Fiscal Year 2007-08 Budget Highlights
(Dollars in Thousands)

FUND SOURCE	Current Year 2006-07	Budget Year 2007-08	Change	
			Amount	Percentage
General Fund	\$1,971	\$2,089	\$118	+5.99%
Special Funds	\$9,432	\$11,034	+\$1,602	+16.98%
Bond Funds	N/A	N/A	N/A	N/A
Federal Funds	\$0	\$0	0	0%
Other Funds	\$1,877	\$1,904	\$27	+1.44%
<i>Total: All Funds</i>	<i>\$13,280</i>	<i>\$15,027</i>	<i>+\$1,747</i>	<i>+13.16%</i>
<i>Personnel Years</i>	<i>63.9</i>	<i>68.6</i>	<i>+4.7</i>	<i>+7.36%</i>

The Secretary for Environmental Protection, a member of the Governor's Cabinet, supervises and coordinates the State's environmental protection programs—with particular focus on improving cross-media collaboration, enhancing risk assessment, enforcing laws consistently and fairly, and measuring and reporting results.

The Secretary oversees the Air Resources Board, the Integrated Waste Management Board, the Department of Pesticide Regulation, the State Water Resources Control Board, the Department of Toxic Substances Control, and the Office of Environmental Health Hazard Assessment. The Secretary also administers the Climate Action Team, Environmental & Education Initiative, California-Mexico Border Coordination, Children's Environmental Health, Environmental Justice, Environmental Law Enforcement, and Scientific Peer Review programs.

The Governor's Budget for fiscal year 2007-08 proposes a total of \$15 million (All Funds) and 68.6 personnel years for the Secretary for Environmental Protection. Major program changes include:

- \$1.39 million and 4.7 PYs to lead the coordinated effort of the *California Global Warming Solutions Act of 2006*. The statute (Chapter 488, Statutes of 2006, Assembly Bill 32) builds on the Executive Order and the Climate Action Team efforts.
- \$75,000 to update the "California Government Online to Desktops" (CalGOLD) permit information portal and add permitting and compliance information for emerging industries and life science industries

AIR RESOURCES BOARD
(3900—ARB)

Fiscal Year 2007-08 Budget Highlights
(Dollars in Thousands)

FUND SOURCE	Current Year 2006-07	Budget Year 2007-08	Change	
			Amount	Percentage
General Fund	\$2,280	\$3,435	+ \$1,155	+ 50.7%
Special Funds	\$302,912	\$275,639	- \$27,273	- 9.0%
Bond Funds	0	96,500	+ \$96,500	+ 965.0%
Federal Funds	\$13,778	\$13,963	+ \$185	+ 1.3%
Other Funds	\$5,002	\$5,075	+ \$73	+ 1.5%
<i>Total: All Funds</i>	<i>\$323,972</i>	<i>\$394,612</i>	<i>+ \$70,640</i>	<i>+ 21.8%</i>
<i>Personnel Years</i>	<i>1,025.0</i>	<i>1,147.5</i>	<i>+ 122.5</i>	<i>+ 12.0%</i>

The Air Resources Board (ARB) has the responsibility to protect the public health of Californians by ensuring that federal and state health-based air quality standards are achieved and exposure to air pollutants is reduced through a variety of controls for mobile and stationary sources of pollution. ARB adopts and enforces emission standards for motor vehicles, fuels, consumer products, toxic air contaminants, and oversees 35 local air pollution control districts.

The Governor's Budget for fiscal year 2007-08 proposes a total of \$393.6 million (All Funds) and 1,147.5 personnel years for ARB's programs. The major changes include:

- \$24.4 million (Special Funds) and 100.6 personnel years in contract and equipment funds to support additional ARB greenhouse gas (GHG) reduction responsibilities imposed by the Global Climate Solutions Act of 2006.
- \$6 million (Special Funds) and 7.7 personnel years for the Zero Emission Vehicle and Infrastructure Implementation Support Program to reduce greenhouse gases, criteria pollutants and toxic air emissions, reduce the state's dependence on petroleum and implement the use of renewable fuels.
- \$1.5 million (Special Fund) and 8.6 personnel years to maintain and augment the effectiveness of the mobile source certification programs (on- and off-road vehicles and engines) and to validate the in-use emissions compliance of these vehicles and engines.
- \$193 million over two years (Special Fund) and 2.9 personnel years for the on-going implementation of the Lower-Emission School Bus Program will protect children's health by reducing their exposure to toxic PM, will provide regional air quality benefits through NOx reductions, and will eliminate about 25 percent of the older, high-emitting buses on the road, including all that lack minimum safety equipment.

ARB was funded in FY 2006-07 for a Major Capital Outlay project of \$1.12 million (Special Fund), over two years, for a seismic retrofit of the Haagen-Smit Laboratory; \$1 million has been made available for Budget Year 2007-08.

INTEGRATED WASTE MANAGEMENT BOARD
(3910—IWMB)

Fiscal Year 2007-08 Budget Highlights
(Dollars in Thousands)

FUND SOURCE	Current Year 2006-07	Budget Year 2007-08	Change	
			Amount	Percentage
General Fund	\$0	\$0	\$0	0%
Special Funds	\$198,569	\$198,792	+ \$223	+ 0.1 %
Bond Funds	\$150	\$0	-\$150	- 100%
Federal Funds	\$91	\$0	-\$91	-100%
Other Funds	\$336	\$335	- \$1	+ 0.3 %
<i>Total: All Funds</i>	<i>\$199,146</i>	<i>\$199,127</i>	<i>-\$19</i>	<i>+ 0.0%</i>
<i>Personnel Years</i>	<i>448.3</i>	<i>466.8</i>	<i>+ 18.5</i>	<i>+ 4 %</i>

The Integrated Waste Management Board (IWMB) assists and oversees local agency regulation of solid waste facilities, including landfills, and administers programs that reduce, reuse, or recycle materials, such as compost, tires, used oil, plastics, and electronic products. To achieve a "zero waste California," IWMB's programs include research, market development, public awareness, and technical assistance, as well as permitting, inspection, and enforcement.

The Governor's Budget for fiscal year 2007-08 proposes a total of \$199.1 million (All Funds) and 466.8 personnel years for IWMB programs. The major changes include:

- Auditor Positions - The Budget includes \$518,000 various special funds and five positions to conduct financial, performance, and service audits to enhance the Board's ability to ensure that its waste diversion, used oil and tire recycling and electronic waste programs are properly administered.
- Universal Waste - The Budget includes \$716,000 Integrated Waste Management Account to increase its Household Hazardous Waste grant program. The proposal adds \$500,000 in local assistance funding to bring the grant program to its statutory limit of \$5 million, along with \$216,000 and two positions to address Universal Waste issues.
- Electronic Waste Recycling - The Budget includes \$435,000 Electronic Waste Recovery and Recycling Account and five positions to improve the Board's ability to promptly process payments to recyclers, and effectively enforce the state's electronic waste program requirements.

DEPARTMENT OF PESTICIDE REGULATION
(3930—DPR)

Fiscal Year 2007-08 Budget Highlights
(Dollars in Thousands)

FUND SOURCE	Current Year 2006-07	Budget Year 2007-08	Change	
			Amount	Percentage
General Fund	N/A	N/A	N/A	N/A
Special Funds	\$63,049	\$65,849	+\$2,800	+4.4%
Bond Funds	N/A	N/A	N/A	N/A
Federal Funds	\$2,200	\$2,229	+\$29	+1.3%
Other Funds	\$606	\$806	+\$200	+33.0%
<i>Total: All Funds</i>	<i>\$65,855</i>	<i>\$68,884</i>	<i>+\$3,029</i>	<i>+4.6%</i>
<i>Personnel Years</i>	<i>354.1</i>	<i>367.7</i>	<i>+13.6</i>	<i>+3.8%</i>

The Department of Pesticide Regulation (DPR) protects public health and the environment through the nation's most rigorous and comprehensive program to evaluate pesticides and control pesticide use. The mission of DPR is to protect human health and the environment by regulating pesticide sales and use and by fostering reduced-risk pest management. DPR's oversight responsibilities include scientific evaluation of pesticides before they are licensed for sale; residue testing of fresh produce; environmental and occupational monitoring to detect, reduce, and prevent contamination and unacceptable human exposure; licensing of pest control applicators and businesses; and working with county agricultural commissioners, who enforce pesticide laws and regulations at the local level, to ensure that pesticides are used legally.

The Governor's Budget for fiscal year 2007-08 proposes a total of \$68.9 million (All Funds) and 367.7 personnel years for DPR's programs. The major changes include:

- \$780,000 (DPR Fund) each year for two years and 2.0 positions (two-year limited term) to conduct a Pesticide Pollution Prevention Grant program. The grants will focus on the implementation of integrated pest management (IPM) practices that reduce or eliminate pollution and pesticide exposure in agricultural and urban environments.
- \$667,000 (DPR Fund) and 6.0 positions to provide additional state oversight of county pesticide use enforcement activities and to train county staff to prepare cases and conduct administrative civil penalty hearings related to pesticide use enforcement.
- \$634,000 (DPR Fund) and 5.0 positions to mitigate pesticide impacts on human health. DPR will develop and evaluate mitigation measures, improve worker and physician outreach programs, and take additional pesticide product registration actions.
- \$255,000 (Reimbursements) and 1.0 position (limited term) to accept funding from a non-profit coalition of growers to evaluate mitigation measures for chlorpyrifos and pyrethroid pesticides.
- \$149,000 (DPR Fund) and 1.0 position to implement Assembly Bill 2865 (Torrico), which expands the Healthy Schools Act to private child day care facilities. DPR will promote and facilitate IPM at child day care facilities by revising and expanding its existing school IPM program.

STATE WATER RESOURCES CONTROL BOARD
(3940—SWRCB)

Fiscal Year 2007-08 Budget Highlights
(Dollars in Thousands)

FUND SOURCE	Current Year 2006-07	Budget Year 2007-08	Change	
			Amount	Percentage
General Fund	\$39,091	\$39,102	+ \$11	+ 0.1%
Special Funds	\$398,450	\$404,582	+ \$6,132	+ 1.5%
Bond Funds	\$364,959	\$252,284	- \$112,675	- 44.7%
Federal Funds	\$128,877	\$128,578	- \$299	- 0.2%
Other Funds	\$9,999	\$9,999	\$0	0%
<i>Total: All Funds</i>	<i>\$941,376</i>	<i>\$834,545</i>	<i>- \$106,831</i>	<i>- 12.8%</i>
<i>Personnel Years</i>	<i>1,542.3</i>	<i>1,595.6</i>	<i>+ 53.3</i>	<i>+ 3.3%</i>

The State Water Resources Control Board (SWRCB) and the nine Regional Water Quality Control Boards (RWQCBs) preserve, enhance and restore the quality of California's water resources, and ensure their proper allocation and efficient use for the benefit of present and future generations. SWRCB activities include regulatory oversight of the State's surface, ground and coastal waters; allocation of unappropriated water; control of unauthorized water diversions; and protection of water quality in watersheds and coastal waters from point source and nonpoint sources of pollution.

The Governor's Budget for Fiscal Year 2007-08 provides \$834.5 million (all funds) and 1,595.6 personnel years for SWRCB. The major changes include:

- The large decrease in SWRCB's budget in FY 2007-08 is due to the one-time bond allocations in the current fiscal year. The Board is currently working on distributing all of the current year bond resources.
- \$3.1 million and 25 PYs to remediate contaminated brownfield sites. These resources will be used to clean up these sites and return them to productive use, which will greatly benefit the communities in which they are located.
- \$132.5 million in local assistance for Propositions 13, 50 and the 1986 Bond to fund projects to improve water quality, such as watershed protection, clean beaches, water recycling, and agricultural drainage loans.
- \$111.4 million and 30.1 PYs for Proposition 84 to fund projects to address statewide water pollution control, agriculture water quality, watershed protection, clean beaches, and basin planning.
- An increase of \$12.9 million Underground Storage Tank Cleanup Fund to reimburse eligible claimants for costs incurred for cleanup activities related to leaking underground storage tanks and to pay for costs to remediate petroleum contamination at specified sites.

DEPARTMENT OF TOXIC SUBSTANCES CONTROL
(3960—DTSC)

Fiscal Year 2007-08 Budget Highlights
(Dollars in Thousands)

FUND SOURCE	Current Year 2006-07	Budget Year 2007-08	Change	
			Amount	Percentage
General Fund	\$28,490	\$25,321	- \$3,169	-11.1%
Special Funds	\$115,480	\$120,453	+ \$4,973	+ 4.6%
Bond Funds	N/A	N/A	N/A	N/A
Federal Funds	\$26,567	\$27,801	+ \$1,234	+ 4.3%
Other Funds	\$10,391	\$10,632	+ \$241	+2.3%
<i>Total: All Funds</i>	<i>\$180,928</i>	<i>\$184,207</i>	<i>+ \$3,279</i>	<i>+ 1.8%</i>
<i>Personnel Years</i>	<i>1,003.7</i>	<i>1,016.1</i>	<i>+ 12.4</i>	<i>+1.2%</i>

The Department of Toxic Substances Control (DTSC) protects public health and environmental quality by regulating hazardous substances, conducting and overseeing cleanups, and developing and promoting pollution prevention. DTSC's programs include the Site Mitigation and Brownfields Reuse Program, the Hazardous Waste Management Program and the Science, Pollution Prevention and Technology Program.

The Governor's Budget for fiscal year 2007-08 proposes a total of \$184.2 million (All Funds) and 1,016.1 personnel years for DTSC. Major changes to the department's current and budget years are:

2006-07 Major Adjustments

- \$.2 M reduction in General Fund pursuant to Section 4.05 of the Budget Act.
- \$5.5 M augmentation for employee compensation.

2007-08 Major Adjustments:

- Pollution Prevention: \$0.451 million (Special Funds) and 3.5 positions to develop and implement pollution prevention concepts, best management practices, training and outreach to proactively reduce the use of chemicals of concern which affect humans, wildlife and the environment.
- Brownfields: \$0.2 million (Special and Other Funds) and 2.0 positions to implement and coordinate development of hazardous materials remediation activities pursuant to several recent bills; Senate Bill 354 (Chapter 523, statutes of 2006), Senate Bill 989 (Chapter 510, statutes of 2006), and Assembly Bill 244 (Chapter 562, statutes of 2006).

A shift of \$0.7 million from Federal Funds to Special Funds to fund the oversight of six Navy installations through cost reimbursement. This shift is consistent with the funding of the other Navy installations under DTSC's oversight.

- Stringfellow: \$3.7 million (General and Special Funds) to fund increased operation and maintenance and removal and remedial costs at the Stringfellow Hazardous Waste Site.
- Climate Change: \$0.115 million (Special Funds) and 1.0 position to support development and implementation strategies towards achieving the goals of reducing greenhouse gas emissions pursuant to the California Global Warming Solutions Act of 2006. Assembly Bill 32 (Chapter 488, statutes of 2006).
- Biomonitoring: \$0.123 million (General Fund) and 1.0 position to begin the planning process that will develop the California Environmental Contaminant Biomonitoring Program pursuant to Senate Bill 1379 (Chapter 599, statutes of 2006).
- Infrastructure: \$3.145 million (Special and Other Funds): A) \$.978 *million* to purchase laboratory equipment for the Environmental Chemistry Laboratory; B) \$1.899 *million* for move and increased lease costs to relocate the Glendale Regional Office; C) \$.268 *million* for the interagency agreement with the Board of Equalization (BOE) due to the expansion of the environmental fee; and D) a shift of \$2.931 *million* from the Hazardous Waste Control Account (HWCA) to the Toxic Substances Control Account (TSCA) to appropriately fund the interagency agreement with BOE for fee collection services, and trailer bill language to make related technical corrections to DTSC's statutory expenditure authority for HWCA and TSCA.

OFFICE OF ENVIRONMENTAL HEALTH HAZARD ASSESSMENT
(3980—OEHHA)

Fiscal Year 2007-08 Budget Highlights
(Dollars in Thousands)

FUND SOURCE	Current Year 2006-07	Budget Year 2007-08	Change	
			Amount	Percentage
General Fund	\$8,782	\$8,933	+ \$151	+ 1.7%
Special Funds	\$6,041	\$6,250	+ \$209	+ 3.5%
Bond Funds	N/A	N/A	N/A	N/A
Federal Funds	\$500	\$514	+ \$14	+2.8%
Other Funds	\$1,749	\$1,762	+ \$13	+ .07%
<i>Total: All Funds</i>	<i>\$17,072</i>	<i>\$17,459</i>	<i>+\$387</i>	<i>+2.3%</i>
<i>Personnel Years</i>	<i>114.9</i>	<i>118.9</i>	<i>+ 4.0</i>	<i>+ 3.5%</i>

The Office of Environmental Health Hazard Assessment (OEHHA) protects and enhances public health and the environment by objective, scientific evaluation of risks posed by hazardous substances. OEHHA serves as risk assessor for various regulatory programs under the California Environmental Protection Agency as well as other state and local agencies. OEHHA provides these programs with the scientific tools and information for risk management decisions.

The Governor's Budget for fiscal year 2007-08 proposes a total of \$17.5 million (All Funds) and 118.9 personnel years for OEHHA's programs. The major changes include:

- \$167,000 (General Fund) and 3.0 positions to assist in the initial planning for the California Environmental Contaminant Biomonitoring Program established under Chapter 599, Statutes of 2006 (SB 1379).
- \$203,000 (Safe Drinking Water and Toxic Enforcement Fund) and 4.0 positions to provide "safe harbor" numbers for carcinogens and reproductive toxicants that are listed under Propositions 65 and develop regulatory proposals for the Proposition 65 program.
- \$125,000 (Unified Program Account) and 1.0 position to complete and periodically update the toxic end point analysis for the state list of regulated hazardous chemicals.